



News release

Finance ministers renew Canada/Nunavut formula financing agreement

IQALUIT, Nunavut (March 8, 2001) – Federal Finance Minister Paul Martin and Nunavut Finance Minister Kelvin Ng today renewed the formula financing agreement between the Governments of Canada and Nunavut.

“I am very pleased that Minister Martin took time to come to Nunavut to sign the renewed formula financing agreement,” Minister Ng said. “By signing the renewed agreement in Nunavut, it shows that Minister Martin is committed to working with our government toward helping Nunavut become more self-reliant. An important part of this goal is the joint review that Minister Martin and I have agreed to have our governments undertake to review the fiscal circumstances of Nunavut.”

The current agreement was signed in October 1998 by the Interim Commissioner and expires March 31, 2001. This renewed agreement will be in place until March 31, 2004. The extension of the agreement puts all provinces and territories on the same five-year track for major transfers.

According to figures recently released by the Nunavut Department of Finance and Administration, more than 90 per cent of Nunavut’s total revenues come from federal transfers – more than 80 per cent come through the formula financing grant. Of the territory’s own-source revenue, Nunavut’s largest source is personal income tax. Other sources include tobacco, payroll, corporate income, fuel, and property taxes.

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